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GOVERNOR

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STATE OF HAWAII
DIVISION OF CONSUMER ADVOCACY
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March 28, 2007

The Honorable Chairman and Members of
the Hawaii Public Utilities Commission
Kekuanaoa Building
465 South King Street, 1st Floor
Honolulu, Hawaii 96813

Dear Commissioners:

RE: Docket No. 05-0315 -- Hawaii Electric Light Company's 2006 Test Year
Rate Case, Statement of Probable Entitlement

By letter dated March 27, 2007, Hawaii Electric Light Company ("HELCO" or "Company") submitted its request for Probable Entitlement in the above docketed matter. In its request HELCO represented that agreement had been reached with the Division of Consumer Advocacy ("Consumer Advocate") on all differences pertaining to the test year revenue requirement. Attached to the Company's request was Exhibit I setting forth the results of the agreement reached with the Consumer Advocate on the Test Year revenue requirement.

The Consumer Advocate hereby informs the Commission that it has completed its review of the schedules provided with HELCO's March 27, 2007 letter. Based on that review, the Consumer Advocate states that the revenue requirement set forth on Exhibit I of HELCO's March 27, 2007 letter reflects that agreement with the Consumer Advocate on the Test Year revenue requirement. As a result, the Consumer Advocate concurs that HELCO is probably entitled to interim rate relief of an additional \$24,564,500 over revenues at present rates. In addition, the Consumer Advocate concurs with the Company's request for Commission approval to adopt the agreed upon pension and OPEB tracking mechanisms in the interim decision and order for this docket. Finally, the Consumer Advocate does not oppose HELCO's request to recover the interim rate increase through the implementation of a surcharge to the various classes of service, based on a percentage of the customer's bill (exclusive of the energy cost adjustment clause charges and other surcharges, as set forth in HELCO RT-1,

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BC/JM

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PUBLIC UTILITIES
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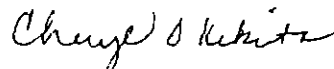
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page 4, lines 19 to 23). As noted by HELCO, the Company's proposal has been approved for utilization in prior dockets and the surcharge will terminate concurrently with the effective date of the final rates to be determined by the Commission in its final decision and order.

Finally, as set forth in HELCO's March 27, 2007 letter, the Company and the Consumer Advocate will be continuing discussions on certain remaining rate design matters during the next few weeks. Agreement, if any, on the remaining rate design matters will be memorialized in the settlement document that will be filed with the Commission to document the agreement reached on the revenue requirement for this docket.

Sincerely yours,



Cheryl S. Kikuta
Utilities Administrator

CSK:tt

cc: Warren H.W. Lee
Dean K. Matsuura
Thomas W. Williams, Jr., Esq./Peter Y. Kikuta, Esq.
Keiichi Ikeda